

Penalty on IDBI for violation of rules

1373. SHRI VARINDER SINGH BAJWA: Will the Minister of FINANCE be pleased to state:

(a) whether RBI has recently imposed to penalty of rupees five lakh on the IDBI Bank for violation of rules, etc.;

(b) if so, the details thereof;

(c) whether IDBI management has fixed responsibility of the officials responsible for flouting the rules for which RBI has imposed penalty;

(d) if so, the names of such officials and the action, if any, taken against them; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) Reserve Bank of India (RBI) has imposed a penalty of Rs. 5 lakh on Industrial Development Bank of India Ltd. (IDBI) on 24th February, 2006 for extending finance for Initial Public Offering in excess of the limits specified for individuals, by following pooling of funds for certain individuals. Further, a penalty of Rs. 5 lakh was also imposed on the bank on 21st August, 2006 for violation of RBI guidelines on opening of accounts, Know Your Customer (KYC) norms and extant guidelines of RBI relating to IPO financing.

(c) to (e) IDBI has initiated action to fix staff accountability in this matter. RBI has advised that divulging the names of the employees would not be appropriate at this stage.

Transfer of plan assistance to States

1374. SHRI HARISH RAWAT:
SHRI SANTOSH BAGRODIA:

Will the Minister of FINANCE be pleased to state:

(a) the basis of transfer of plan assistance to States as 70 percent loan and 30 percent grant;

(b) whether any State has requested for modification in the loan grant pattern; and

(c) if so, what is the request of the State Governments and by when the demand of States is likely to be acceded to?